

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Rhythms Links Inc. (U-5813-C) For Expedited Approval To Withdraw From The Provision of Competitive Local Exchange and Interexchange Services.

Application 01-08-015
(Filed August 13, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING RHYTHMS LINKS INC.'S MOTIONS
FOR EXPEDITED TREATMENT AND SEALING OF EXHIBITS**

On August 13, 2001, Rhythms Links Inc. (Rhythms) filed the above-captioned application with this Commission, requesting authority to withdraw from the provision of local exchange and interexchange services. The Commission approved the request in Decision (D.) 01-09-040, and closed the proceeding. This docket is re-opened solely for the purpose of addressing the following matters.

On October 12, 2001, in compliance with Section 851 of the California Public Utilities Code and Ordering Paragraph 2 of D.01-09-040, Rhythms filed Advice Letter No. 3¹ requesting authority to sell, assign, and transfer to MCI WorldCom Network Services, Inc. (WorldCom) certain Rhythms' assets used in California to provide regulated services (California-Assets). Rhythms states that

¹ Rhythms submitted its Section 851 filing in accordance with Appendix A of D.94-05-051, as modified by D.97-06-096, and applied to competitive local exchange carriers by D.98-07-094. On October 24, 2001, Rhythms filed Advice Letter No. 3A and provided additional supporting documentation.

its certificate of public convenience and necessity will not be transferred to WorldCom.

Concurrent with its Section 851 submission, Rhythms seeks to have the protest period shortened to ten days, and to have the effective date set immediately thereafter absent a protest or Commission action to suspend the matter. Rhythms urges an expedited effective date in order to “ensure that the portion of the Assets used by Rhythms to provision regulated services in California will continue to be used to provide competitive services, and not sold off to pay creditors.” (Rhythms Motion at 3.) Rhythms states that no customers will be automatically transferred to WorldCom under the Asset Purchase Agreement. However, prompt resolution of the California-Assets transfer will be in the public interest because it will smooth Rhythms’ remaining customers’ transition to a new carrier and will complete the bankruptcy proceeding.

In addition, Rhythms moves for proprietary treatment of Exhibits C and A, the financial documents of WorldCom that were filed under seal and attached to Advice Letters No. 3 and 3A. In support thereof, Rhythms asserts that the information contained within the exhibits represents WorldCom’s business planning and strategy documents and other related material that are confidential to WorldCom and not publicly available. It maintains that release of this information would substantially and materially harm WorldCom’s relationship with customers and impede its ability to compete.

Both motions are unopposed, and a public hearing on either is not necessary. Therefore, good cause appearing, **IT IS RULED** that:

1. Rhythms Links Inc.’s (Rhythms) October 12, 2001 motion for a shortened protest period and an immediate effective date for Advice Letters No. 3 and 3A is granted.

2. Rhythms' concurrent motion for a protective order is granted to the extent set forth below.

3. Exhibits C and A, which have been filed under seal in support of Advice Letters No. 3 and 3A, shall remain under seal for a period of two years from the date of this ruling, and during that period shall not be made accessible or disclosed to anyone other than Commission staff except on the further order or ruling of the Commission, the Assigned Commissioner, the assigned Administrative Law Judge (ALJ), or the ALJ then designated as Law and Motion Judge.

4. If MCI WorldCom Network Services, Inc. believes that further protection of this information is needed after two years, it may file a motion stating the justification for further withholding this material from public inspection, or for such other relief as the Commission rules may then provide. This motion shall be filed no later than 30 days before the expiration of this protective order.

5. Since the transfer does not include operating authority, the Telecommunications Division is hereby directed to take the necessary steps to revoke the certificate of public convenience and necessity and U-number of Rhythms immediately following the completion of the transfer of assets.

6. This proceeding, re-opened solely for the purpose of addressing these matters, is closed.

Dated November 13, 2001, at San Francisco, California.

/s/ JACQUELINE A. REED

Jacqueline A. Reed
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Rhythms Links Inc.'s Motions for Expedited Treatment and Sealing of Exhibits on all parties of record in this proceeding or their attorneys of record.

Dated November 13, 2001, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.